



[Billing Code 3290-F7]

## **OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

### **Generalized System of Preferences: Import Statistics Relating to Competitive Need Limitations**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice.

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**SUMMARY:** This notice is to inform the public of the availability of import statistics for the first nine months of 2016 relating to competitive need limitations (CNLs) under the Generalized System of Preferences (GSP) program. These import statistics identify some articles for which the 2016 trade levels may exceed statutory CNLs. Interested parties may find this information useful in deciding whether to submit a petition to waive the CNLs for individual beneficiary developing countries (BDCs) with respect to specific GSP-eligible articles.

**FOR FURTHER INFORMATION CONTACT:** Naomi Freeman at (202) 395-2974 or [gsp@ustr.eop.gov](mailto:gsp@ustr.eop.gov).

#### **SUPPLEMENTAL INFORMATION:**

##### **I. Competitive Need Limitations**

The GSP program provides for the duty-free importation of designated articles when imported from designated BDCs. The GSP program is authorized by Title V of the Trade Act of 1974 as amended, 19 U.S.C. 2461, *et seq.*, (1974 Act), and is implemented in accordance with Executive Order 11888 of November 24, 1975, as modified by

subsequent Executive Orders and Presidential Proclamations.

Section 503(c)(2)(A) of the 1974 Act sets out the two different measures for CNLs. When the President determines that a BDC has exported to the United States during a calendar year either (1) a quantity of a GSP-eligible article having a value in excess of the applicable amount for that year (\$175 million for 2016), or (2) a quantity of a GSP-eligible article having a value equal to or greater than 50 percent of the value of total U.S. imports of the article from all countries (50 percent CNL), the President must terminate GSP duty-free treatment for that article from that BDC by no later than July 1 of the next calendar year, unless the President grants a waiver before the exclusion goes into effect. CNLs do not apply to least-developed countries or beneficiaries of the African Growth and Opportunity Act.

Any interested party may submit a petition seeking a waiver of the 2016 CNL for individual beneficiary developing countries with respect to specific GSP-eligible articles. In addition, under section 503(c)(2)(F) of the 1974 Act, the President may waive the 50 percent CNL with respect to an eligible article imported from a BDC, if the value of total imports of that article from all countries during the calendar year did not exceed the applicable de minimis amount for that year (\$23 million for 2016).

## **II. Implementation of Competitive Need Limitations**

Exclusions from GSP duty-free treatment where CNLs have been exceeded will be effective July 1, 2017, unless the President grants a waiver before the exclusion goes into effect. Exclusions for exceeding a CNL will be based on full 2016 calendar-year import statistics.

### **III. Interim 2016 Import Statistics**

In order to provide advance notice of articles that may exceed the CNLs for 2016, the Office of the U.S. Trade Representative has compiled interim import statistics for the first nine months of 2016 relating to CNLs. This information can be viewed at:

<https://ustr.gov/issue-areas/preference-programs/generalized-system-preferences-gsp/current-reviews/gsp-20162017>.

Full calendar-year 2016 data for individual tariff subheadings will be available in February 2017 on the website of the U.S. International Trade Commission at <http://dataweb.usitc.gov>.

The interim 2016 import statistics are organized to show, for each article, the Harmonized Tariff Schedule of the United States (HTSUS) subheading and BDC of origin, the value of imports of the article from the specified country for the first nine months of 2016, and the corresponding share of total imports of that article from all countries. The list includes the GSP-eligible articles from BDCs that, based on interim nine-month 2016 data, exceed \$110 million dollars, or an amount greater than 42 percent of the total value of U.S. imports of that product. In all, the following 11 products met the criteria to be placed on the list:

1. 0410.00.00 – Other edible products of animal origin (Indonesia)
2. 0714.90.10 - Fresh or chilled dasheens, whether or not sliced or in the form of pellets (Ecuador)
3. 1104.29.90 - Grains of cereals other than barley, oats or corn, hulled, pearled, clipped, sliced, kibbled or otherwise worked, but not rolled or flaked (Turkey)

4. 2909.19.18 - Ethers of acyclic monohydric alcohols & derivatives, not elsewhere specified (Brazil)
5. 2933.99.22 - Other heterocyclic aromatic or modified aromatic pesticides with nitrogen hereo-atom(s) only, not elsewhere specified (India)
6. 4011.20.10 - New pneumatic radial tires, of rubber, of a kind used on buses or trucks (Indonesia)
7. 4409.10.05 - Coniferous wood continuously shaped along any of its ends, whether or not also continuously shaped along any of its edges or faces (Brazil)
8. 6801.00.00 - Setts, curbstones and flagstones, of natural stone (except slate) (Turkey)
9. 6802.99.00 - Monumental or building stone & arts. thereof, not elsewhere specified, further worked than simply cut/sawn (Brazil)
10. 8525.80.30 - Television cameras, not elsewhere specified (Thailand)
11. 9001.50.00 - Spectacle lenses of materials other than glass, unmounted (Thailand)

The list published on the USTR website includes the relevant nine-month trade statistics for each of these products and is provided as a courtesy for informational purposes only. The list is based on interim 2016 trade data, and may not include all articles that may be affected by the GSP CNLs. Regardless of whether or not an article is included on the list referenced in this notice, all determinations and decisions regarding application of the CNLs of the GSP program will be based on full calendar-year 2016 import data for each GSP-eligible article. Each interested party is advised to conduct its own review of 2016 import data with regard to the possible application of GSP CNLs.

Please see the notice announcing the 2016 GSP Review which was published in the Federal Register on August 25, 2016 (81 FR 58547), regarding submission of product petitions requesting a waiver of a CNL. The notice and comments are available at <https://www.regulations.gov/docket?D=USTR-2016-0009>.

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Chairman, GSP Subcommittee of the Trade Policy Staff Committee  
Office of the U.S. Trade Representative.

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